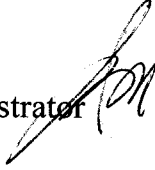


COUNTY OF YORK

MEMORANDUM

DATE: August 22, 2005 (BOS Mtg. 9/6/05)

TO: York County Board of Supervisors

FROM: James O. McReynolds, County Administrator 

SUBJECT: Draft 2006 Legislative Program

Attached is a one-page outline of a proposed 2006 Legislative Program expressing the County's legislative priorities for the 2006 General Assembly. Once the Board has discussed the legislative program at its work session on September 6, staff will produce a final outline using the format of the attached document, as well as the legislative program itself in the form which the County has adopted in previous years. To briefly review the issues addressed by each of the proposed items, I offer the following:

Taxation, Revenues and Cost Shifting

Issue: York County asks that the General Assembly maintain the vital state and local partnership

The position statement set out under this issue is one which has been a feature of the County's legislative program for a number of years, asking that the General Assembly, when considering a reassessment of the state's tax structure, avoid using restructuring as an opportunity for shifting additional costs to localities. This issue also contains a request, similar to one included in past legislative programs, that the General Assembly provide local governments with more direct tax authority, and also that a method be formulated to share state income tax revenues with localities. As in the past, we have suggested that 5 percent of state income tax revenues be redirected to localities. You may recall that as part of last year's legislative program, we joined with Isle of Wight County in making a specific request for authority for a local cigarette tax. In the attached outline, we make no reference to cigarette taxation or any other specific vehicle for additional local taxing authority.

Issue: Real Estate Tax Rate

As you are undoubtedly aware, the gubernatorial candidates from each of the two major parties have each proposed different methodologies for limiting the ability of local governments either to increase assessments on real property, or to increase local tax revenues by more than a certain stated percent from one year to the next. At present, localities are required to assess all real estate at its current fair market value, and local governments are free to set the tax rate in an amount to yield whatever income the locality needs to provide

services to its citizens. There is a fear that any artificial means to limit assessments of real estate will result in artificial tax assessment values which, over time, will become increasingly uneven and at variance with actual market values. Moreover, there is a concern that local governments ought to be able to set local tax rates in an amount sufficient to meet the localities' needs, and that the voters of each locality can best determine whether their elected officials are properly performing that function.

Issue: VDOT – Revenue Sharing

For years the County has included as an item in its legislative program a request that the state's budget for the VDOT Revenue Sharing Program be increased from \$15 million to \$20 million. At long last, the 2005 General Assembly did indeed increase the funding for revenue sharing to a total of \$50 million, but at the same time made cities, as well as counties, eligible for participation in the program. Thus, the pie got larger, but the number of "slices" potentially increased. Last year's legislation provides that no single locality may receive more than \$1million in state revenue sharing funding, and there is no guarantee that any locality will receive that amount. The request as drafted for your consideration asks that the revenue sharing program be funded so that each county in the Commonwealth will be able to receive at least \$1 million in state funding on an annual basis.

Issue: Support for Tourism

Although recent figures suggest that there has been a slight upswing in tourist revenues in the Historic Triangle during the last year, still overall tourism levels appear never to have completely rebounded from the 9/11 catastrophe. Statewide, tourism generates approximately \$2 billion in state and local tax revenues, and income realized from tourism contributes an estimated 5.1 percent to the Virginia gross state product. The tourism industry is the fifth largest private employer in the Commonwealth, accounting for approximately 7.9 percent of total employment. Indeed, Virginia ranks 13th among the states in state expenditures for promotion at \$13.5 million, but actually ranks only slightly above the national average of \$12.8 million. By comparison, West Virginia spends in excess of \$23 million, and Pennsylvania approximately \$33 million. There is a feeling that the Commonwealth could do more.

Issue: Funding Partnerships for Critical Services

Many of the items under this heading have appeared in the Board's legislative program before. This includes requests for full funding for libraries, Constitutional Officers, Juvenile and Adult Corrections, and support for the Small Business Development Center Network, as well as for mental health and juvenile justice programs. Although funding for the Virginia Juvenile Crime Control Act has not been restored, there is some indica-

tion of concern for mental health, mental retardation, and substance abuse issues; and it is possible that we may see some much needed increases in that area in the upcoming session.

It should be noted that a major success was achieved in the 2005 session when the General Assembly excepted our Crossroads replacement project by name from a moratorium on state funding for juvenile residential facilities. Members of York's Delegation were extremely helpful to staff in shepherding that initiative through the General Assembly.

Items added this year under this heading include:

- Opposition to any legislation which would require local matches for Medicaid, an idea which seems to be gaining some currency.
- Opposition to the state's current practice of transferring funds generated through the "\$4.00 for Life" program to the state's general fund. The \$4.00 for Life program collects \$4.00 as part of each motor vehicle registration fee to be distributed to localities throughout the Commonwealth to be used for EMS purposes. However, since 2002, approximately \$3.5 million of those revenues have been transferred to the state's General Fund. While those transferred funds were initially used for homeland security purposes, federal funding for homeland security appears to be sufficient while EMS \$4.00 for Life funds continue to be redirected away from local needs.
- Increased funding for the costs of administering the Comprehensive Services Act (CSA).

Issue: Consolidated Telecommunications Taxes and Fees

The 2004 General Assembly passed legislation requiring a bill to be submitted in 2005 to eliminate local E-911 taxes, cable TV franchise fees, and similar local taxes on telecommunications technology, and replace them with a state tax. Such legislation was introduced (HB 2880), but it was eventually adopted as a substitute requiring only a study to be prepared in time for the 2006 General Assembly. But, efforts to eliminate local taxation continue, and a subcommittee of the state Wireless E-911 Services Board has prepared draft legislation to that effect. Staff suggests that the legislative program ask that any such legislation include protection for local revenues through disbursements of state revenues to local governments.

As a second matter, new personal communications technologies such as Voice Over Internet Protocol may soon allow consumers to utilize their internet connections for voice communications, in place of wireline telephone service. It is imperative for public safety

purposes that any such technology be required to utilize software to identify the location of any call made to E-911.

Issue: Areas of concern and request for careful study of:

- De-regulation of Electricity. As the Commonwealth proceeds with its plan to de-regulate the electric utility industry, the County wishes to insure that de-regulation does not result in sharp escalations of electric utility rates, resulting in increased burdens on consumers of residential services, as well a loss of competitiveness for Virginia businesses as against competitors in other states which retain tighter oversight over the utility industry.
- Personal Property Tax Relief Act. As was recently explained to the Board, the solution reached by the 2005 General Assembly to the final implementation of the dedicated Personal Property Tax Relief Act was to establish a \$950 million pool of money to provide block grants to each of Virginia's localities based upon the value of "qualifying motor vehicles" as of the 2005 tax year. Localities will each distribute the available tax relief among their base of personal property taxpayers. However, there are currently no plans to increase available funding for this program in the future, meaning that the percentage of the total personal property tax burden in each jurisdiction which is assumed by the state will reduce on a per capita basis as the number and value of automobiles increases in each jurisdiction. The draft Legislative Program includes a request for the General Assembly to consider providing funding for annual increases in the state's reimbursement for personal property taxes so that individual tax burdens do not escalate throughout the passing years.

Traffic Safety

Issue: "Photo-red" Traffic Signal Enforcement

As you are undoubtedly aware, York County has for a number of years requested that it be included among those jurisdictions authorized to implement photo-monitoring of intersections for enforcement of compliance with traffic signals. Although several bills have been introduced over the years which either would have added York County to that small number of jurisdictions authorized to implement such programs, or which would have allowed the institution of photo-monitoring programs in all localities, the 2005 General Assembly not only failed to broaden the program, but allowed the existing programs to expire by reason of a sunset provision enacted in the original legislation. Although there appears to be a gathering amount of support among state senators and delegates and local authorities for photo-monitoring, the House Committee on Militia, Police and Public Safety continually kills any such legislation, preventing it from reaching the House floor.

The request is for the Commonwealth to re-institute the photo-monitoring traffic signal enforcement program and either include York County among the authorized jurisdictions, or establish the program statewide. Although the program has expired, it is hoped that over time the requests from localities will be heeded.

Issue: New Classes of Small Motorized Vehicles

In the 2005 General Assembly, there were five bills introduced which, in one manner or another, would have authorized localities to regulate mini-scooters and other small motorized devices which, at present, appear to fall within those gray areas between the various definitions of categories of motor vehicles regulated by state statute. Among the bills scheduled in 2005 was House Bill 202, which requested the adoption of legislation along the lines of a draft ordinance previously forwarded to the Board for its consideration. However, because the five bills (three in the House of Delegates, two in the Senate) differed from each other in significant ways, each was tabled and then assigned for study to a committee consisting of three members of the House of Delegates. Unfortunately, that committee has failed to meet because of the illness of one of its members, and there is some doubt whether the 2006 General Assembly will take action on any bill in the absence of a committee recommendation. Nonetheless, staff assumes that the Board of Supervisors will wish to continue its request from last year for the adoption of a bill authorizing localities to regulate all categories of small, motorized vehicles, whether powered by gasoline engines or electric motors.

Local Authority

Issue: Taxing Authority

This item is carried over from the 2005 Legislative Program, requesting that the General Assembly study the feasibility of a homestead tax exemption for Virginia taxpayers. In the draft Legislative Program, the staff has modified the request for the Board's consideration, to request a study for a homestead exemption with a "means test," feeling that the General Assembly may be more receptive to the idea of a homestead exemption if it is limited to persons of limited income.

Issue: Eminent Domain

Board members are undoubtedly aware of the recent U. S. Supreme Court case which agreed that localities could utilize the power of eminent domain to condemn private property for the purpose of conveying it to private industry for development. That decision has resulted in public protest, such that a number of states, including Virginia, have either adopted or are considering legislation which would place limits on the ability of local governments to utilize condemnation in aid of economic development. It is feared that

opponents of condemnation may seek to use such legislation as an opportunity to roll back local government powers of eminent domain and encroach upon the ability of governments to use eminent domain in support of traditional public purposes such as sewer and water line projects and public buildings, or (in localities with housing authorities) for renovation of slighted residential areas. This request would be for the General Assembly, in considering any such legislation, to refrain from narrowing the authority of state and local governments to utilize eminent domain for those kinds of public projects for which eminent domain has proven frequently to be a necessary tool.

Issue: Removal of Certain Appointed Members of Local Boards and Commissions

With certain limited exceptions, individuals appointed by a local governing body to serve on a board or commission are appointed for terms set out in the Code of Virginia. Prior to the end of their terms, they can be removed by the appointing body only with the consent of the local circuit court for malfeasance or similar offenses, or (in a few instances) upon a finding of "just cause" by the appointing body. A suggestion has been made that members of a Planning Commission, an Economic Development Authority, and a Wetlands Board may be removed at the discretion of the local governing body if the member misses any three meetings in a row, or four meetings in any 12-month period.

JEB/mrc
Attachment

Taxation, Revenues and Cost Shifting

Issue: York County asks that the General Assembly maintain the vital state and local partnership

- **Position:** York County supports a thorough reassessment of Virginia's current tax structure, but opposes using tax restructuring efforts as a vehicle for shifting additional costs and/or service demands to localities.
- **Request:** Provide local governments with more direct tax authority and enact legislation directing that 5% of state income tax revenues be returned to localities.

Issue: Real estate Tax Rate Do not restrict local government's ability to apply the real estate tax rate.

Issue: VDOT—Revenue Sharing Maintain the revenue sharing program so that counties have at least \$1 million in state funding available annually.

Issue: Support for Tourism Tourism is critical to Virginia's economy. Provide adequate funding for Tourism promotion and marketing

Issue: Funding Partnerships for Critical Services

- Restore the reductions in funding in the Virginia Juvenile Crime Control Act made by the 2002 General Assembly.
- Mental Health Funding. The Commonwealth drastically reduced residential care for adults and virtually eliminated adolescent beds and does not provide adequate funding for community-based services.
 - ◆ Fund mental health counseling in local Juvenile Detention Centers.
 - ◆ Direct DMHMRSAS to work with DJJ to establish a juvenile corrections/forensics unit.
- Medicaid is a federal/state-funded program. Oppose any local match for Medicaid.
- Stop the practice of transferring Emergency Medical Services funds generated through the \$4 for Life program to the State's General Fund.
- Increase funding to localities for the costs of administering the CSA.
- Increase funding for the State's Small Business Development Center Network by \$1 million.
- Provide full funding for State Aid to Public Libraries, Constitutional Officers, Juvenile and Adult Corrections and other areas of shared responsibility.

Issue: Consolidated Telecommunications Taxes and Fees

- **Request:** Oppose any legislation that will reduce the local ability to assess taxes and fees on telecommunications services.

Issue: Areas of concern and requests for careful study of:

- **De-regulation of Electricity** – Maintain the SCC's oversight and approval of electrical rates to assure affordable residential and commercial electrical service and to continue Virginia's competitive position for economic development.
- **Personal Property Tax Relief Act** – Provide funding sufficient to maintain the State's share of Personal Property Tax Relief at its current level.

Traffic Safety

Issue: "Photo-red" Traffic Signal Enforcement Include York County in legislation authorizing localities to have "photo red" traffic signal enforcement.

Issue: New Classes of Small Motorized Vehicles Request authority to regulate the operation of motorized skateboards and scooters, electric motor-powered mini-bikes, and similar devices which do not currently fall within statutory definitions of various kinds of motor vehicles.

Local Authority

Issue: Taxing Authority Study the feasibility of a Homestead Exemption with a means test.

Issue: Eminent Domain Sustain local government's right to use eminent domain for traditional public purposes.

Issue: Removal of Certain Appointed Members of Local Boards and Commissions Allow local governing bodies the discretion to remove members of a Planning Commission, an Economic Development Authority, and a Wetlands Board if the member misses any three meetings in a row, or four meetings in any 12-month period.